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CITY OF RYE
Department of Planning

Memorandum

To: Rye City Council

From: Christian K. Miller, AICP, City Planner

cc: O. Paul Shew, City Manager
Michael A. Genito, Assistant City Manager/Comptroller
George J. Mottarella, City Engineer
William R. Connors, Police Commissioner

Date: October 29, 2004

Subject: **Consideration of Parking Meters in the Rye Central Business District**

At the City Council's October 6 meeting, consultants from Desman Associates and myself presented a conceptual plan to install multi-space parking meters in the City's Central Business District (CBD). At that meeting the Council requested that the following issues and concerns be addressed:

- *Plan Preparation.* The Council requested that a written/graphical plan of the proposed installation of parking meters be provided for Council and public review.

- *Capital Outlay*. The Council requested that staff look for ways to reduce the estimated expenditure of $286,000 to purchase the proposed 13 multi-space parking meters. Suggestions to reduce costs included reducing the number of units, metering only some rather than all five car parks, determining whether City Department of Public Works (DPW) could do some of the installation at reduced cost and/or consider alternative financing (such as leasing or revenue-sharing) that reduces the City's out-of-pocket expenses.

- *Enforcement*. The Council requested that more information be provided regarding enforcement practices and what impact the meters would have on enhancing enforcement to create more turn-over of parking spaces.

- *Public Involvement*. The Council requested greater public involvement and participation in consideration of metering the City's carparks.

The following provides a response to the Council's concerns noted above.

The Revised Plan

Based on the direction provided in the Council's August 18 2004 resolution, multi-space meters are proposed for the City's five off-street carparks in the CBD. This plan has been revised to reflect the comments raised at the Council's October 6, 2004 meeting. Other than paying for parking in the carparks the City Council has not committed to change any other current parking policy or restriction. Off-street parking in the carparks would continue to be limited to a two-hour maximum duration. On-street areas within the CBD (such as Purchase Street, Purdy Avenue, Elm Place, etc.) would ***not*** be metered and the maximum parking duration would remain at one hour. Merchants and all-day/all-night parkers would still be required to obtain permits consistent with current fees and would be entitled to park in the carparks. No changes are proposed for commuter parking areas as a result of the proposed parking meters.

The proposed multi-space meters would be "pay-by-space" units, which require users to pay for parking at a kiosk based on a unique number that would be assigned to each parking space and painted on the pavement. Signage would not be used to identify each space number. Previously, 13 units were proposed, however, to address cost concerns raised by the Council that has been reduced to 11. The 11 units would be installed in the carparks as follows:

Carpark No.	No. of Parking Spaces	No. of Multi-Space Units
1	71	2
2	164	3
3	49	1
4	171	4
5	33	1
Total	**488**	**11**

Safety and convenience were the principal considerations in determining the number and location of units. Units would be located on existing medians or other non-parking areas, though it is anticipated that approximately four parking spaces would be lost to provide areas safe from moving traffic. Though fewer units are capable of servicing some of the larger lots, they would not be as convenient given the varied travel patterns of users. More units reduce the need for backtracking or being diverted from desired destinations to pay for parking. Maximizing convenience is an important consideration in minimizing anticipated user frustrations and ensuring a successful paid parking program in the CBD.

Primary power to the units would be provided through the use of solar power, which will also charge batteries for periods when solar energy needs to be augmented by another source. Electric power was previously proposed, but was discounted due to high installation costs.

Pay-by-space units are required to communicate with one another within each carpark so that each unit "knows" that a space has been paid for regardless of which multi-space meter in that lot has been used. Communication between the units also has the benefit of providing system redundancy in the event a unit is inoperable.

In terms of functionality, staff prefers a system that would be initially simple to use, but could be upgraded to provide added functionality in the future. The preferred system would allow users to pay for parking using coin, cash or a pre-paid disposable card. Credit card payment, providing receipts and making change are not considered desirable or necessary at this time since they require additional expense to provide and present added administrative burdens. In addition these features provide only modest convenience to users given that parking will be restricted to a two-hour maximum with a resulting fee of only $0.50 to $2.00, depending on the final rate structure adopted by the City Council.

It is anticipated that the cost of the system acquisition and installation would be approximately $160,000 and would be paid for out of the existing fee-in-lieu of parking fund, which currently has $230,000. It would not be a capital project requiring any increase in taxes. This fund would be replenished from parking meter revenues and all or a portion of future meter revenues could be designated for future parking improvements if so desired by the City Council.

Capital Outlay and Revenues

The Council clearly expressed sensitivity to the cost of the previously proposed multi-space system. Approximately $156,000 was attributed to system acquisition and $130,000 for installation. The original proposal has been modified to reduce the estimated cost from $286,000 to $160,000. Of this amount approximately $130,000 would be for system acquisition and the remaining $30,000 would be for installation costs and contingency. This reduction has been achieved by the following plan modifications:

- *Modified System Requirements*. The previously proposed electric systems with hardwire connectivity between units required significant installation costs. To eliminate these costs we propose solar powered units that communicate via wireless/cellular systems. This eliminates the need for an electrician, trenching, fiber optic cabling and other related installation costs. There would also not be

any electrical operating expenses but there would be cellular data service expenses of approximately $5,500 per year.

A drawback of solar units is that they do not generate enough power to provide change-making functions. This function is not proposed at this time, but could not be provided in the future if solar units are used. The loss of this functionality is not particularly problematic since staff notes concerns with the administrative costs and burdens of providing this convenience that we anticipate few would use for a typical transaction of roughly $0.50 to $2.00.

An added benefit of wireless/cellular systems is that they also provide automated machine reporting. Machine malfunctions, questionable operation or pending service needs are automatically reported to a website accessible by City staff. This will reduce machine downtime.

- *Meter Reduction*. An additional cost savings was achieved by reducing the total number of meters from 13 to 11. Only four, rather than the previously proposed five units will be provided in Carpark 4 and only three, rather than the previously proposed four units will be provided in Carpark 2. These reductions will result in some loss of in user convenience, but not to the degree that it might compromise a successful paid parking program. Additional meter reductions are not recommended since it would compromise user convenience and the success of the parking program.

- *City DPW Installation.* Based on the more detailed installation information provided by Desman Associates, the City Engineer/Director of Public Works was able to determine which installation tasks could be done by City staff and at what cost. The elimination of electrical and cabling needs greatly simplified the project. DPW staff will install all concrete pads, mounting hardware, signage and pavement striping.

Alternative Financing Options

The City Council requested that City staff review other financing options as a way to reduce the City's capital expenses. City staff continues to recommend the purchase of the system because it would have the highest return on investment, lowest overall cost and shortest commitment to the City. Lease or revenue-sharing arrangements typically require the City to commit to at least two years to cover the vendor's operating, capital and financing costs. Obviously, the term of lease would vary depending on how much revenue the City was willing to share with the vendor.

Leasing or revenue-sharing arrangements are better suited to communities that do not have money available for the initial capital outlay, have limitations on their ability to

issue debt, and/or have other plans for funds on hand. This is not the case in Rye. The City has existing funds available ("fee-in-lieu of parking") that are specifically set aside for parking related expenditures in the CBD and would cover the anticipated acquisition and installation costs. The use of these funds, which are restricted to parking related expenditures and could not be used for other purposes, would have no impact on the City's budget, tax rate, or available fund balance.

Outright purchase makes fiscal sense because the City would not have to pay financing costs associated with leasing and would not have to be burdened with a multi-year contractual commitment. Based on the revenue assumptions provided to the Council last April, the purchase of the system could be paid for in a year assuming a parking rate of $0.50 an hour and 60% occupancy (see table below) is maintained. Even if these relatively conservative assumptions were wildly off the mark the multi-space metering system could be paid off in less than two years. This two-year commitment is still less than the time period associated with a lease or revenue-sharing arrangement with a vendor. If the Council chooses to discontinue the paid parking pilot program, the units could be paid off and resold at no cost to the City in a shorter period of time than a lease or revenue-sharing arrangement.

Table 1
City of Rye Estimated Annual Parking Meter Revenue

Number of Spaces*	Rate Per hour	Annual Revenue by Percent of Occupancy**				
		100%	90%	80%	70%	60%
300	$0.25	$156,000	$140,400	$124,800	$109,200	$93,600
300	$0.50	$312,000	$280,800	$249,600	$218,400	$187,200
300	$0.75	$468,000	$421,200	$374,400	$327,600	$280,800
300	$1.00	$624,000	$561,600	$499,200	$436,800	$374,400

* *Assumes ((488 total spaces) – (375 merchant permits x 50% = 188)) = 300 metered spaces.*

** *Assumes parking for 8 hours a day, 5 days a week, 52 weeks a year.*

Enforcement

The City Police Commissioner has indicated that meters will enhance the ability of the City's two parking enforcement officers (PEOs) to detect vehicles exceeding the two-hour parking restriction in the City's carparks. Greater enforcement of this existing restriction should improve parking turnover, which has been strongly advocated by merchants at public meetings. Unlike single-space meters; low-cost hand-held detectors can be used on the multi-space meters to quickly determine which numbered spaces are unpaid. PEOs would then inspect the space and issue a ticket if occupied

by a non-permit holder. Currently, PEOs chalk tires, which is occupied by labor intensive and has obvious limitations in effectiveness.

It is difficult to assess how much turnover could occur if meters are installed. City staff is not prepared to quantify this figure and cannot predict how much benefit parking meters will provide in expanding parking opportunities in the CBD. We are prepared to state that meters will not worsen existing conditions and would make it easier to detect abusers of the two-hour maximum parking restriction.

Public Involvement

Parking meters have been discussed at regular intervals in a public forum since February. Since that time staff has been advising the City Merchants Association (CMA) on the details of the project status, including presentations at CMA meetings. In April 2004 the City Council conducted a workshop for public comment. In July City staff conducted a workshop, which was attended by many City Council members. There was additional discussion of parking meters at the Council's August and October meetings.

Information on the parking meter proposal has been posted on the City website since April 2004. Press releases were prepared in advance of public workshops and there have been a number of articles in local newspapers.

City staff supports whatever measures the Council deems appropriate to increase public input. As suggested in my April 2, 2004 memorandum to the Council, public involvement is an opportunity to understand community concerns, build consensus and improve policy decisions. If there is consensus regarding the concept plan discussed herein a brochure could be prepared explaining the project and distributed to local merchants, residents and others in the CBD.

In communicating with the public it would be particularly helpful for the Council to reach some consensus regarding the issues already raised by the public and particularly the merchants. These questions and concerns are policy issues that only the Council can decide. Some of these issues and concerns are as follows and can have an important impact on the public's support for parking meters:

- *Rate Structure*. Previously, a fee of $1.00 per hour was proposed for the meters. Merchants suggested that this fee was high and not consistent with the rates charged by area communities, which tended to have a fee of between $0.25 and $0.50 per hour. What fee does the Council consider most appropriate?

- *Revenue Allocation*. Merchants have suggested a greater likelihood of support for meters if the City was committed to allocating all or a portion of the revenue

towards future parking improvements in the CBD. Is the Council prepared to commit to such an earmarking of funds, and if so how much?

- *Merchant Permits*. Merchants stated concerns about suggestions that they would no longer be eligible for merchant permits and that they would be required to pay the same proposed fee as short-term parkers. This could significantly increase parking costs to merchants. Does the Council support this or any other significant change in existing parking policies for merchants?